

# *Moving to the New Financial System*

*August 9<sup>th</sup>, 2006*

*FMS Conference*

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# ***Discussion Points***

1. ***Why are agencies moving to a new Financial System?***
2. ***Specific Implementation Experience***
3. ***Observations***
4. ***Recommendations***

***1. Why are agencies moving to a new Financial System?***

- A. To satisfy Federal Mandates***
- B. To meet agency goals***

## ***A. Federal Mandates***

- 1. OMB Circular A-127, Financial Management Systems requirement***
- 2. Federal Financial Management Improvement Act (FFMIA)***
- 3. OMB Circular A-130, Management of Federal Information Resources***

# ***Specifically OMB Circular A-127 requires agencies to:***

- 1. Establish and maintain a single integrated financial management system***
- 2. Have an ongoing financial systems improvement planning process***
- 3. Perform periodic reviews of its financial system capabilities***
- 4. Maintain financial management system components that comply with uniform Federal accounting concepts and standards promulgated by FASAB (Federal GAAP)***

## *FFMIA requires agencies...*

*To install integrated financial systems that substantially comply with:*

- *Government-established system requirements*
- *Accounting standards*
- *USSGL at the transaction level*

# ***OMB Circular A-130 requires agencies to...***

***Use commercial off-the-shelf (COTS) software:***

- ***to reduce costs***
- ***improve the efficiency and effectiveness of financial system improvement projects***
- ***reduce the risks inherent in developing and implementing a new system***

## ***A-127 also***

- 1. Requires COTS products to be certified***
- 2. Assigned the CFO Council responsibility for:***
  - developing and administering the certification test***
  - notifying GSA when the product passes the test***
  - providing information on CORE requirements and related test scenarios***



# *Office of Federal Financial Management (formerly JFMIP)*

1. *Issues Federal Financial Management System Requirements (FFMSR)*
2. *FFMSR specifies the mandatory functional and technical requirements that agency financial management systems must meet in order to comply with Federal standards mandated in FFMIA*
3. *The Framework for Federal Financial Management Systems document describes the basic elements of a model for integrating financial management systems*

## ***B. Meet agency goals***

- 1. Maintain unqualified opinions by the required deadline without heroic efforts***
- 2. Resolve material weaknesses and reportable conditions in internal controls***
- 3. Achieve 'green' on the President's Management Agenda (PMA)***

## ***B. Meet agency goals (cont'd)***

- 4. Adapt to new financial statement requirements***
- 5. Improve efficiencies and effectiveness in financial management operations***
- 6. Provide program managers with timely & accurate financial information***

## ***2. Specific implementation experience***

- ***Project 1: Oracle Implementation***
  - ***Develop the Accounting Flexfield (AFF)***
  - ***Convert the legacy structure into the new structure***
- ***Project 2: SAP Implementation***
  - ***IV&V role***
  - ***Develop a cut over plan***

## ***2. Specific implementation experience (cont'd)***

- ***Project 3: Post Oracle Implementation***
  - ***Development of Process flows***
  - ***Policy and Procedure development***
  - ***Treasury reporting***
  - ***Trading Partner files***
- ***Project 4: SAP Implementation***
  - ***Develop an accounting classification code***
  - ***Recommend functionality***

### 3. *Observations*

- *Be prepared to have your audit opinion negatively impacted*
- *Management Support is critical*
- *Agency personnel need to understand the COTS*
- *The implementers need to understand the legacy system as well as the critical business processes*
- *Properly define your requirements*
- *Agency SMEs must be involved*

### 3. *Observations (cont'd)*

- *The New System will change the way people work*
- *This is a marathon and not a sprint*
- *Transition can be very difficult*
- *Your agency is unique*
- *Some customization should be expected*
- *Patience is key, expect changes along the way*

## ***4. Recommendations***

- ***Management leadership plays a critical role***
  1. ***Reinforce the vision: The new system will improve financial management***
  2. ***Facilitate and ensure buy-in across the agency***
  3. ***Become a cheer leader to the implementation team***
  4. ***Ensure funds are available to complete the project***



## ***4. Recommendations***

- ***Management leadership plays a critical role (cont'd)***
  - 5. ***Ensure that agency SMEs are involved in the implementation***
  - 6. ***Get periodic updates on project status and progress***
  - 7. ***Assist in resolving issues***

## ***4. Recommendations***

- ***Management leadership plays a critical role (cont'd)***
  - 8. ***Hold the implementer accountable (Make sure they understand your business as well as the new Federal requirements)***
  - 9. ***Ensure that your system will be able accommodate new OMB, Treasury requirements (Future Growth segments)***
  - 10. ***Current operations cannot be forgone look to contractor help to assist in performing current operations***

## 4. *Recommendations (cont'd)*

- *Adequate Planning is key*
- *Emphasize Training (the timing of training is key)*
- *Encourage Open Communications*
- *Prepare the users for a Culture Change*
- *Reengineer processes to maximize the functionality of the COTS package*
- *Partner with the Implementer*

# ***We talked about...***

- 1. Why are agencies moving to a new Financial System?***
- 2. Specific Implementation Experience***
- 3. Observations***
- 4. Recommendations***

***Contact info...***

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